

Strategy Assessment Project Proposal



Company of Focus: Dell

Industry Focus: PC manufacturing Industry

Key Issues faced:

1. Dell faces considerable competition from 4 major firms – HP, Lenovo, Acer, and Toshiba. Once the North American and global market leader, Dell has now lost its first place standing to HP in the North American Market, and has lost considerable global market share to the remaining firms. In particular, it has faced considerable setbacks to growth in terms of its market share in emerging markets.

Initial Sources:

Business Insider (2009). *Dell loses more market share*. Retrieved from: <http://www.businessinsider.com/2009/1/dell-losing-market-share-in-anemic-pc-market-dell>

MintGlobal Database (2009) *Company Report: Dell Inc*. Reterived from: https://mintglobal-bvdep-com.ezproxy.lib.ucalgary.ca/version201022/Report.serv?seqnr=0&context=Z8NIL&_cid=120§ion=PEERGROUP

2. Industry convergence within the PC industry has led manufacturers to produce many new product lines beyond the traditional PC. These include peripheral devices, PDAs, smart phones, support software and applications. Dell has been a laggard in this push towards convergence. Though it does produce its own peripheral devices, it has failed (or deliberately chosen) not to produce the other products that are generating considerable profits for other organizations.

Initial Sources:

BBC Business (2009). *The Mobile Phone Industry: Industry Snapshot*. Retrieved from: <http://news.bbc.co.uk/2/hi/business/469294.stm>

Consumer Electronics Association (2009). *Growth in consumer electronics sales to slow in 2009*. Retrieved from: <http://en.kioskea.net/news/11734-growth-in-consumer-electronics-sales-to-slow-in-2009>

3. Branding and R&D have also become an issue for Dell. Once a widely recognized brand name, Dell's budgets over the last 5 years have dedicated less money to marketing and research and development expenses.

Initial Sources:

Dell Inc (2009 b). *10-K Form*. Retrieved from: http://content.dell.com/us/en/corp/d/corporate~secure~en/Documents~FY09_SECForm10K.pdf.aspx